COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS   )
ADJUSTMENT FILING OF MARTIN   )   CASE NO. 10204-B
GAS, INC.   )

O R D E R

On September 16, 1988, the Commission issued its Order in
Case No. 10204 approving certain adjustments in rates and
providing under certain conditions for the further adjustment of
such rates when the wholesale cost of gas is increased or
decreased or a refund is received.

On August 9, 1989, the court-appointed receiver of Martin
Gas, Inc. ("Martin") notified the Commission that its wholesale
cost of gas will be increased by its supplier, Columbia Gas of
Kentucky, Inc. ("Columbia"), effective September 1, 1989, and
submitted with its notice certain information in compliance with
its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being otherwise
sufficiently advised, the Commission is of the opinion and finds
that:

1. Martin's notice of August 9, 1989 set out certain
revisions in rates which Martin proposed to place into effect,
said rates being designed to pass on the wholesale increase in

price from its supplier. The adjustment in rates proposed by Martin was calculated using an IUS rate proposed by Columbia in its Case No. 10201-B.[1] The actual IUS rate, authorized by Order issued September 1, 1989 in Case No. 10201-B, is different from that proposed by Martin.

Martin's proposed revisions were also based on gas purchases from an unspecified period. The same purchase volumes were proposed by Martin for determining its adjustment in Case No. 10204-A.[2] Pursuant to a request by Commission Staff in Case No. 10204-A, Martin provided information on gas purchases for the 12-month period ending December 31, 1988. As the information provided in Case No. 10204-A is the most current 12-month purchases available, it should be used in determining Martin's adjustment in rates.

The rates contained in the Appendix to this Order are based on Columbia's IUS rate effective September 1, 1989 and on Martin's 1988 gas purchases. The rates are designed to pass on the wholesale increase in price in the amount of $6,924 or 15.9 cents per Mcf.

2. Martin's wholesale cost of gas was increased by Columbia effective September 1, 1989.

3. Martin's adjustment in rates, as amended herein, under the purchased gas adjustment provisions approved by the Commission

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[1] Case No. 10201-B, The Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., filed August 1, 1989.

[2] Case No. 10204-A, Notice of Purchased Gas Adjustment Filing of Martin Gas, Inc., filed February 6, 1989.

In its Order in Case No. 10204 dated September 16, 1988 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after September 8, 1989.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after September 8, 1989.

2. Within 30 days of the date of this Order, Martin shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 8th day of September, 1989.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

_____
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10204-B DATED   9/8/89

The following rates and charges are prescribed for the customers served by Martin Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	$6.63 Per Mcf
Over 1 Mcf	$6.5092 Per Mcf

Minimum Bill

The minimum bill shall be	$6.63
Temporary Surcharge	$3.12

The base rate for the future application of the purchased gas adjustment clause of Martin Gas, Inc. shall be:

Commodity

Columbia Gas of Kentucky, Inc.	$3.7515 Per Mcf
Southeastern Gas Company	$0.140 Per Mcf
Average Commodity Cost	$3.1701 Per Mcf